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May 14, 2018

BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001
Scrip Code: 500067

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051
Scrip Code: BLUESTARCO

Dear Sirs,

Sub: Press Release on audited consolidated financial results for the fourth quarter and financial year ended March 31, 2018

Please find enclosed herewith copy of the Press Release.

Please take the same on records.

Thanking You,

For **Blue Star Limited**

Vijay Devadiga
Company Secretary

PRESS RELEASE

Blue Star's Consolidated FY18 Total Income grows 12% to Rs 4660 crores and Operating Profit grows 24% to Rs 276 crores on a comparable basis

Consolidated Financial Performance for FY18

- The Company has reported a Total Income of Rs 4660.21 crores for the year ended March 31, 2018 on a consolidated basis, compared to Rs 4165.35 crores (excluding the excise component) during the same period in the previous year, representing growth of 12%. Prior to GST going live on July 1, 2017, revenue for previous periods included excise duty. For comparability, performance for the prior period is also stated net of excise.
- The Operating Profit (PBIDTA excluding Other Income and Finance Income) for the year was Rs 276.33 crores compared to Rs 222.41 crores in FY17, a growth of 24%.
- Net Profit for the year increased by 21% to Rs 149.25 crores compared to Rs 123.05 crores in the previous year.
- Other Income (including finance income) for the year was Rs 16.95 crores compared to Rs 34.58 crores in FY17. Finance income in FY17 was higher on account of higher tax refunds and also included income earned on temporary investments made out of the sales proceeds of IT business.
- Financial Expenses for the year declined by 24% to Rs 28.74 crores from Rs 37.78 crores in FY17, due to lower interest costs.
- Tax expense for the year was Rs 54.56 crores compared to Rs 36.67 crores in the same period previous year.

- There was an exceptional income of Rs 5.27 crores during the year on account of profit on sale of an office property.
- Earnings per share for the year (Face value of Rs 2.00) rose to Rs 15.58 vis-à-vis Rs 12.89 in the previous year.
- Carried Forward Order Book as on March 31, 2018 grew by 20% to Rs 2094 compared to Rs 1748 crores as at March 31, 2017.

Consolidated Segment Performance for FY18

Prior to GST going live on July 1, 2017, revenue for previous periods included excise duty. Therefore, for this analysis, segment-wise revenue is shown without excise duty for the periods prior to Q2 FY18 to ensure comparability.

- Revenue of the Electro-Mechanical Projects and Packaged Air Conditioning Systems business increased by 10% to Rs 2350.68 crores from Rs 2143.35 crores, while Segment Results registered an increase of 52% to Rs 137.42 crores. The revenue of this segment continued to be impacted due to lower order inflow on account of muted private sector investments as well as slow execution in ongoing projects. Investments in infrastructure were largely Government driven, such as metro and healthcare projects. However, the profitability of this segment grew due to the better margin profile of completed projects as well as of those under execution.
- Unitary Products revenues in the year increased by 17% to Rs 2105.36 crores from Rs 1796.25 crores in FY17 owing to market expansion, higher business from the Government segment and a higher share of wallet from modern retail trade. The room air conditioners business continued to grow at a faster pace than the market, thus leading to improved market share. Segment Results grew by 15% to Rs 193.13 crores over the same period.
- The Professional Electronics and Industrial Systems business revenues decreased by 2% from 191.17 crores in FY17 to Rs 187.22 crores due to continued slowdown in industrial capex and scaling down of the Infra Security Solutions line of business. Segment Results also registered a decline of 40% to Rs 19.58 crores due to a lower scale of business coupled with lower realisation due to sluggish market conditions.

Consolidated Financial Performance for Q4FY18

- For the quarter ended March 31, 2018, the Company reported Total Income of Rs 1479.70 crores, compared to Rs 1294.05 crores in the same period in the previous year, representing growth of 14%.
- Operating Profit (PBIDTA excluding Other Income and Finance Income) increased by 26% to Rs 90.21 crores from Rs 71.83 crores over the same period last year.
- Net Profit for the quarter increased by 38% to Rs 51.23 crores compared to Rs 37.17 crores during Q4FY17.

Dividend

The Directors have recommended a year-end dividend of Rs 8.50 per equity share of Rs 2 each (FY 2016-17: Rs 7.50 per equity share). In addition, to commemorate the Company's platinum jubilee in 2018, the Directors have recommended a special dividend of Rs 1.50 per equity share of Rs 2 each. Accordingly, an aggregate dividend of Rs 10 per equity share of Rs 2 each has been proposed.

Outlook

Suneel M Advani, Chairman of the Board, Blue Star Limited adds, "The electro-mechanical projects business witnessed modest traction on the back of enhanced investments in the infrastructure segment largely driven by the Government. The unitary products business continues to show significant potential, and with the GST transition completed, is on a growth path. As we enter our platinum jubilee year of completing 75 years of operations, the Company is confident of capitalising on future growth opportunities driven by its strong capabilities and credentials, and intends to continue investing in marketing, brand building and new product development, as well as nurturing new businesses such as water purifiers, air purifiers and air coolers.

We remain optimistic of sustaining this growth momentum in this, our landmark platinum jubilee year as well."

Place: Mumbai

Date: May 14, 2018.

For additional information, please contact: Girish Hingorani, Head - Corporate Communications, Blue Star Limited. Email: girishhingorani@bluestarindia.com Telephone: +91 22 6668 4000.